

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2002-207-W - ORDER NO. 2002-726  
OCTOBER 14, 2002

IN RE: Application of Dowd Water Systems, Inc. for ) ORDER  
Approval of Water Tap Fees for New ) APPROVING  
Customers in Stephenson Lakes Subdivision. ) TAP FEE

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Dowd Water Systems, Inc. (Dowd or the Company) for water tap fees for Stephenson Lakes Subdivision for new customers only. The initial Application included a request for a \$625 per new customer tap fee. Dowd later submitted a revised Application, which requested a \$500 tap fee per new customer.

Pursuant to the Commission's Executive Director instructions, the Company published a Notice of Filing in a newspaper of general circulation. The Company furnished an affidavit to that effect. No Protests or Petitions to Intervene were filed. Accordingly, Dowd moves for an expedited review of the matter, and asks that the Commission agenda session serve as the hearing in this case. Dowd has furnished the verified testimony of Johnny Johnson, Engineer to support its case.

We grant Dowd's Motion for expedited review, and hold that our discussion of the matter at the October 8, 2002 agenda session constitutes the hearing in this matter. Johnny Johnson's verified written testimony demonstrates the component costs which make up the \$500 fee. The cost of materials per customer will be \$200. The cost of a

meter will be \$50. The cost of the contractor for labor and equipment will be \$225. The cost of contract services to supervise and inspect the installation was \$25. Based on these costs, Dowd requests approval for a “Tap Fee” for new customers of \$500 for each residential unit.

Commission Regulation 103-702.14 defines “Tap Fee” as a non-recurring, non-refundable charge related to connecting the customer to the utility’s system which includes the cost of installing the utility’s service line from the main to the customer’s premises and a portion of plant capacity which will be used to provide service to the new customer.....We would note that the costs outlined by the testimony of Mr. Johnson are strictly related to the cost of installing the utility’s service line from the main to the customer’s premises. We hold that the utility is not required to charge for the capacity portion of the definition if it does not wish to do so.

We have examined the proposed “Tap Fee” in this case, and find the amount of the fee to be just and reasonable. Accordingly the “Tap Fee” of \$500 per residence for new customers in the Stephenson Lakes subdivision is hereby approved. This does not affect the approved operating margin of 23.96% approved for the subdivision in Order No. 2001-747. This shall remain unchanged.

This Order shall remain in full force and effect until further Order of the  
Commission.

BY ORDER OF THE COMMISSION:



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Mignon L. Clyburn  
Chairman

ATTEST:



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Gary E. Walsh  
Executive Director

(SEAL)